BC GAMES SOCIETY

ANNUAL REPORT

2009 / 2010

BC GAMES

BRITISH COLUMBIA

The Best Place on Earth

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National Library of Canada Cataloguing in Publication Data
B.C. Games Society.
Annual Report. – 2000/2001 –
Annual.
Title from cover.
Report year ends Mar. 31
Each issue also has a distinctive title.
Also available on the Internet.
ISSN 1709-089X=Annual report – B.C. Games Society.

1. B.C. Games Society – Periodicals. 2. Sports and state – British Columbia – Periodicals
I. Title. II Title: B.C. Games Society...annual report. III. B.C. Games...annual report GV585.3 B72 353.7'8 C2003-803539-1

1. *Message from the Co-Chairs to the Minister Responsible*

Growing Champions

Like all Canadians, those associated with the BC Games Society found themselves overwhelmed by the success of the 2010 Olympic and Paralympic Winter Games. Volunteers and Canadian athletes were successful in their pursuit of achieving their personal bests. As the BC Games have long been a spring board for athletes and coaches, so too have they been a launching pad for incredible volunteers for these 2010 Games. The VANOC team had at least three former key BC Games Society volunteers and staff within its executive ranks, while numerous other BC Games associates contributed in their own small way to the larger success of the Olympic and Paralympic Winter Games. As was said in a February 2010 article in the Vancouver Province, organizers hatched the 2010 idea after the successful 1996 BC Winter Games in North Vancouver.

These facts lend credence to the ideal that the BC Games are a grass roots opportunity for the growth of community and its volunteers, and the training ground for many of BC's rising stars. Our last report spoke of Hazelton's Carol Huynh who won Canada's first gold medal in Beijing; Carol was an athlete at the BC Summer Games in 1996. In February, the first gold medal won by a woman on Canadian soil was won by Maelle Ricker, an alumna of the 1993 BC Summer Games. Maelle was joined by twenty one alumni, making up forty percent of BC's contribution to the Canadian Team. Those same BC athletes contributed four gold and one silver medal to Canada's Olympic and Paralympic medal haul.

Our pride in these alumni is equal to the steadfast support we receive in a number of ways. Principally, the consistent financial support we receive through the Ministry, and their confidence in our ability to lead change and forge strategic alliances maintains the BC Games as a critical stepping stone in the overall development of athletes, coaches and officials. Embracing the knowledge and value of our sport partners such as Sport BC, 2010 Legacies Now, Promotion Plus, Coaches Association of BC and the Canadian Sport Centre – Pacific creates greater linkages for gained knowledge by athletes, coaches, volunteers and parents. Leveraging our provincial investment through corporate support from Jazz Air, CN, BC Lottery Corporation, Global BC, and host community small business enhances our work around the province, while acknowledging that public support is finite.

While success came to our former BC Games athletes in 2010, so too did it come to the Skeena region of BC during the Terrace 2010 BC Winter Games. One thousand and seventy five athletes, 272 coaches, and 167 officials were flown and bussed to compete in Terrace for the first time since 1986. With the addition of their two year old Sportsplex, and the enthusiasm of 1807 volunteers (14% of the city's population), Terrace proved a worthy host to the next generation of BC's Olympians.

The 2009 / 2010 BC Games Society Annual Report was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the report, including the selection of the performance measures and how the results have been reported. The information presented represents the actual performance of the BC Games Society for the twelve months ended March 31, 2010. All significant decisions, events and identified risks, as of March 31, 2010 have been considered in this report.

The information is presented in accordance with the *BC Reporting Principles* and represents a comprehensive picture of our actual performance in relation to our service plan. The measures are consistent with the BC Games Society's mission, goals and objectives and focus on aspects critical to the organizations performance.

We are responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion.

This report contains estimates and interpretative information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

In closing, we wish to express our Board's sincere appreciation to the Honourable Minister Ida Chong for her commitment and support of her Board of Directors and staff in the delivery of the five BC Games. It is through the vision of the Board, and the professionalism of the staff that the BC Games Society has built such a strong reputation inside and outside the province of British Columbia.

Respectfully submitted

Frank Lento, Co-Chair
BC Games Society

Cathy Priestner Allinger, Co-Chair
BC Games Society

2. *Organizational Overview*

The Purpose of the BC Games Society is:

To provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport which promotes interest and participation in sport and sporting activities, individual achievement, and community development. Specifically, our purpose is to:

- motivate British Columbians to achieve a higher level of fitness and physical well-being through participation in amateur sports and physical activity
- encourage and motivate athletes, coaches, and officials to attain a higher level of skill and competitive achievement
- organize competitive sport events that will serve as preparation for higher level competition and play an integral role in the BC sport delivery system
- provide each hosting community with a legacy of experienced volunteers and facility improvements
- share the spirit of the Games with British Columbians of all regions of the province
- celebrate the community.

The BC Games Society was established in 1977 to provide community and sport development opportunities across BC. The Society is included in the public accounts of the Government of British Columbia and is a service crown agency subject to the *Budget Transparency and Accountability Act*. The Society was incorporated under the Society Act of British Columbia in 1987 to provide event management leadership to achieve sport, individual and community development.

Since 1978, the BC Games Society (Society) has been staging the BC Winter and BC Summer Games. The two events, held every even calendar year, are BC's largest multi-sport events. Located in Victoria, the Society provides event management support, volunteer and participant management software, and financial resources to each of its Games host communities. These host cities then form separate not-for-profit societies for the three-year cycle of their games management.

The scope of the BC Games was broadened in 1994 with the addition of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games. Similar to our work with the BC Winter and Summer Games, the Society provides support and resources to each of these Games, with policy direction coming from the respective Boards of these three Games. Host cities also form their own societies during the cycle of Games hosting.

In February 2007, the BC Seniors Games Society negotiated a stand-alone agreement with the Ministry, while retaining the event management services of the BC Games Society under an annual contract.

Provincial funding for the BC Games Society is provided through a *Transfer Under Agreement* signed by the Sport and Recreation Branch of the Ministry of Healthy Living and Sport.

Communities across the province embrace the BC Games as an opportunity to highlight their citizens, facilities and hometown pride to the rest of BC. While the BC Games are a four day celebration, the legacy of these multi-sport events carries forward in new and improved facilities, enhanced volunteers skills, and economic impacts resulting from participant and visitor spending, and legacy investments.

Mission, Vision, Values

Mission

Through partnerships, the BC Games Society is committed to providing event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities.

Vision

- Entrepreneurial approaches, mutual accountability, and transparency in all our partnerships are standard methods of operation.
- The economic and social benefits to communities in hosting the Games produces quality bids and experiences from a variety of host communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Public and private sectors value and support the BC Games.
- Host Communities, athletes, coaches, managers, officials, and volunteers remember the BC Games as a best ever multi-sport experience.
- The BC Games are a vehicle for community legacies, trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each host community.
- BC Games Society Board represents an effective, ethical, and responsible model in leadership and governance.

Values

Values that underpin how we interact in our relationships:

- Partnerships and collaboration are the foundation to our working relationships where appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between Board and Staff, where roles and responsibilities are clarified, policies are followed and contributions of the team and individuals are honoured.
- Our dynamic approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.
- Commitment to social issues affecting all British Columbians around health and wellness, personal and community development, equity, access, and inclusiveness is demonstrated.
- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff, and Volunteers.

3. *Report on Games Performance*

The core business of the BC Games Society is the event management of the BC Winter and BC Summer Games. In support of these two multi-sport events, it is important that the operations of the Society are supplemented through corporate partner investment. The goals, measures, objectives and targets identified in this Annual Report highlight the role we play within the sport system, and acknowledge the need to assist in the financial stability of our organization.

Successful outcomes due to effective management ensure longevity of the hosting rotations around the province. By establishing the BC Winter and Summer Games as a focal point for athlete and coach development, it is important that we measure benchmarks in the successful progression of athletes and coaches. Bringing the business community to aid in the success of the BC Games is critical as their support contributes significantly to the overall success of each Games, while ensuring government's investment is maximized.

The BC Winter Games in Terrace faced unprecedented attrition on its Board of Directors, and within the ranks of their Key Volunteers. Nine volunteers left their Board positions (some areas multiple times), with the critical position of President being turned over ten months out from the Games, and a few Key Chair positions being vacated just weeks prior to the Games. These multiple changes could be symptoms described in a June 2009 study by Volunteer BC which identified that the "challenges of recruiting and retaining volunteers are changing", "that average volunteer hours are falling compared to a study done in 2004", and "a volunteer leadership deficit is emerging". As diverse as the volunteers are, so too are the reasons for not taking on a volunteer role with the same commitment seen only two to three years ago. The challenge continues to lie with the BC Games Society to create the right role for the right volunteer, whether they take senior leadership positions or assist during Games' time.

Risk and Sensitivities

During the period covered by this Annual Report, the BC Games Society planned for / funded / implemented:

- Maple Ridge – Pitt Meadows 2009 BC Disability Games
- Richmond 2009 BC Seniors Games
- Prince Rupert 2010 Northern BC Winter Games
- Terrace 2010 BC Winter Games
- Township of Langley 2010 BC Summer Games

The BC Games Society relies on third party delivery for the recruitment of athletes who attend the BC Winter and BC Summer Games. This recruitment and training of attending coaches and officials is the responsibility of the participating Provincial Sport Organizations (PSOs). Their successes in recruitment and training are reflected in our statistics pertaining to athletes and coaches. While the BC Games Society provides the Games as an opportunity for athlete, coach, and officials' development, the onus is on the Provincial Sport Organizations to make the most of this event to help develop their sport.

Hosting the BC Winter Games during the hiatus of the Olympic and Paralympic Games was a deliberate decision made by the BC Games Society Board in 2004. The provincial sport system had an obligation to provide the developmental opportunity for this generation of athlete, coach and official, recognizing the likely challenges of staging the Games so near to the largest sport event of our lifetimes. Only Cross Country Skiing – Disabled was unable to attend the BC Winter Games due to commitments by their officials and volunteers to the Paralympic Games.

The organizational health of sports competing in the BC Winter Games continues to gain strength, ensuring all Games related information is disseminated to athletes, coaches, officials, parents and sport volunteers. Where sport organizations are challenged, they are supported and encouraged through programs and professional development opportunities offered by 2010 Legacies Now, Sport BC, and various other organizations. Staff from the Society and these agencies continually communicate to ensure those sports requiring administrational development are getting it in a timely fashion.

Ownership of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games lies with their respective Boards. The agreements with the respective agencies are for event management services only, and subsequently any advice and/or direction by the Society can be superseded by the Partner Board.

Previous BC Games Society reports have noted that the frequent rotation of BC Games around the province could contribute to the potential for fatigue at the community and/or volunteer levels. In November 2009, it was announced 100 Mile House would not host the announced 2011 Northern BC Winter Games citing challenging economic times and volunteer fatigue. The Northern BC Winter Games Society has announced a Sport Leadership Summit to replace this loss of their multi-sport Games, and has plans to solicit bids for their biennial Games to take place in 2013.

Challenges of a different kind impacted the Maple Ridge - Pitt Meadows 2009 BC Disability Games in July where 109 athletes and 51 coaches and aides attended the five day event. The Powell River 2007 BC Disability Games hosted 139 athletes and 103 coaches. These participant numbers are significantly fewer than the 512 participants who attended the Kelowna Games in 2003. These declining numbers have prompted discussion within the disability sport realm and the BC Games Society as to whether these Games are meeting the sport development needs of the targeted groups.

The BC Games Society is staffed by nine full time employees, five of whom spend significant periods of time travelling to the host cities in support of volunteers. Three administrative staff assist their work, and aid the functions of the President and CEO's office and the Board of Directors. Our *Guidelines for the Host Community,* an on-line resource exclusive to the BC Games Society, empower the volunteers with tasks, timelines and samples, meaning that staff time is maximized, and any one manager can provide assistance to possibly as many as six communities concurrently.

As noted in the results on the following pages, the BC Games Society was able to meet its objectives. These results further express the value of the BC Games in sport and community development. The BC Winter and Summer Games continue to provide opportunities for provincial and multi-sport organizations to align participation and competition with the Canadian Sport for Life approach. Through our actions, the Board and staff of the BC Games Society remain committed to joining its numerous partners in sport and recreation in furthering positive health, social and economic outcomes for the Province of BC and its citizens.

4. *Alignment with Government's Strategic Plan*

The BC Games Society supports three of the Government's priorities as identified in their Strategic Plan.

To lead the way in North America in healthy living and physical fitness

The purpose of the BC Winter and BC Summer Games is to provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event. The Society promotes interest and lifelong participation in sport and sporting activities, and individual achievement. All five BC Games promote healthy, active lifestyles for a broad range of populations, and builds capacity in skilled volunteers, sport programs, equipment and facilities, all avenues that continue to contribute to healthy communities. Additionally, all BC Games provide participation and competition opportunities which are aligned with the goals and objectives of the Canadian Sport for Life[1] model – an approach that the Ministry of Healthy Living and Sport, and its partners, along with the sport and recreation sectors, are implementing in BC.

To build the best system of support for persons with a disability, special needs, children at risk, and seniors.

Integration of athletes with a disability has been part of our Games model since our inception. We continue to support further integration by expanding opportunities for Paralympic sports particularly in our BC Winter Games. Our event management service agreement with the BC Seniors Games and the BC Disability Games provides additional financial resources and professional staff support to these Games, and contributes to a positive experience for athletes from both constituencies.

To make BC the best educated, most literate jurisdiction on the continent

Our commitment to the provision of quality written resources for the training and education of volunteers continues. Recognized nationally for their thoroughness and ease of use, our *Guidelines for the Host Community* are now online making them more accessible to more volunteers.

Additionally, through the 2010 Shareholder's Letter of Expectation (SLE) signed with the Ministry of Healthy Living and Sport, the BC Games Society...

- will work to increase province wide participation, and track progress
- collaborate with sport system partners to promote sport opportunities for Aboriginal, multi-cultural groups and others traditionally under-represented in sport
- continues to position the BC Games as an opportunity to promote the values of ActNow BC
- continues to make decisions which result in lesser environmental impacts, thereby assisting the public sector become carbon neutral.

The entire SLE may be read at bcgames.org - - - click on *About Us*.

[1] framework for sport participation from childhood to seniors see LTAD.ca

Goal 1 – Effective Management of BC Winter Games, BC Summer Games and Partner Games						
Objectives						
In partnership with the Terrace 2010 BC Winter Games Society, the Township of Langley 2010 BC Summer Games, and the Greater Vernon 2012 BC Winter Games, plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, funding and corporate partners. Working with the Parent and local Boards of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games, plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.						
Key Strategies						
Provide concise written online materials to support the volunteers in creating quality BC Games Promote PSO's use of the BC Winter and BC Summer Games through Memorandums of Understanding as a key element in the continuum of their athlete, coach, and officials' development while recruiting and maintaining a key network of key sport volunteers across the province.						
Performance Measures	**Actuals**				**Variance**	**Target**
	06 / 07 Actuals Kamloops 2006 Summer	07 / 08 Actuals Kimberley – Cranbrook 2008 Winter	08 / 09 Actuals Kelowna 2008 Summer	09 / 10 Actuals Terrace 2010 Winter		10 / 11 Township of Langley 2010 Summer
Volunteers use and value online tasks, samples and protocols to effectively manage their BC Games[2]	87% satisfaction rating of online resources.	91% satisfaction rating of online resources.	87% satisfaction rating of online resources.	63% satisfaction rating of online resources.	Low rating may be due to survey results indicating 43% of volunteers never or occasionally referred to their organizational materials. 0% looked at them frequently. (may be attributed to unusually high board turnover)	80% satisfaction – measurement surveys to begin in Feb. 2010.
Head coaches attending the BC Winter and BC Summer Games are certified to the required National Coaching Certification Program level II.[3]	74% of coaches were certified to required standard.	65% of coaches were certified to required standard.	95% of coaches were certified to required standard.	76% of coaches were certified to required standard.	11% improvement over 2008 BC Winter Games.	80% of coaches will be certified.
BC Winter and BC Summer Games athletes and coaches move on to higher levels of competition including the Canada Games. [4]	65% (176) athletes and 29% (19) coaches attending the 2007 Canada Winter Games were BC Games alumni (58% of entire team).	2009 Canada Summer Games to include 60% BC Games alumni. 2011 Canada Winter Games to include 65% BC Games alumni.	Measurements for 2009 to be completed in Oct. 2009.	51% (149) athletes and 65% (30) coaches attending the 2009 Canada Summer Games were BC Games alumni (53% of entire team).	Greater than half of participating sports showed at least 55% of their athletes as BC Games alumni. Women's soccer indicated only 6%, due to recent changes in BC Games age category. 2013 should show higher for this sport.	Measurements for Canada Winter Games to begin March 2011.
Legacies from BC Winter and BC Summer Games include new sport club development, trained volunteers, and facility upgrades[5]	3246 volunteers were recruited and trained direct cash investment in sport was $35,917 legacy investment was $101,576.	3,033 volunteers were recruited and trained direct cash investment in sport was $77,000 legacy investment was $118,646.	2562 volunteers were recruited and trained direct cash investment in sport was $60,034 legacy investment is $77,867.	1807 volunteers were recruited and trained Direct cash investment in sport was $68,255. Legacy investment is estimated to be $50,000.	14% of Terrace's population volunteered, Initial target of 2200 set in 2006 was not met but with reduced participation, the various roles were fulfilled. Sport investment was exceeded by $8,255. Legacy to community will be close to target of $55,000.	Anticipated volunteer recruitment to be 3800 investment in sport to equal $80,000 legacy investment post Games equal to $55,000.

[2] statistics gathered from volunteers using Zoomerang survey tool
[3] coaching information provided by Provincial Sport Organizations and/or Coaching Assoc. of BC
[4] Team BC data provided by the Sport and Recreation Branch, Ministry of Healthy Living and Sport
[5] figures taken from host community audited statements

Goal 2 – Entrepreneurial Activities						
Objectives						
To ensure the financial sustainability and enhancement of the BC Games through entrepreneurial activity by increasing the level of non-governmental fiscal support of the BC Winter and BC Summer Games						
Key Strategies						
Establish new and maintain existing corporate partners through delivery on our contractual obligations Provide supportive documentation and event management to Host Communities to recruit and develop local cash						
Performance Measures	**Actuals**[6]				**Variance**	**Target**
	06 / 07 Actuals Kamloops 2006 Summer	07 / 08 Actuals Kimberley – Cranbrook 2008 Winter	08 / 09 Actuals Kelowna 2008 Summer	09 / 10 Actuals Terrace 2010 Winter		10 / 11 Township of Langley 2010 Summer
As corporate partners, Air Canada Jazz, Global BC, and TELUS provide cash and in-kind services to offset budgeted expenditures.	AC Jazz provided $110,000 value through charter discounts and staff travel.	Re-signed AC Jazz to a 2 year deal valued at $120,000 ($60,000/yr.)	Completed 2nd year with AC Jazz.	Completed 1st year with AC Jazz.	AC Jazz partnership limited to charter aircraft only.	Continue partnership through to December 2010.
	Global BC contract re-signed until 2011 – continues to provide $80,000 in-kind value.	Global BC provided $120,000 of coverage related to BC Winter Games.	Global BC provided $170,730[7] of coverage related to BC Summer Games.	Global BC provided $95,061[8] of coverage related to BC Winter Games	Global BC continues to support the BC Winter Games with production, promotional time, and news coverage.	Continue ongoing agreement.
	TELUS provides $85,000 cash and in-kind value.	TELUS provides $85,000 cash and in-kind value.	TELUS provided $60,000 cash and in-kind value.	TELUS concluded its partnership March 31, 2009.		
		BC Lottery Corp. (SportsFunder) signed to one year deal valued at $50,000.	BC Lottery Corp. (SportsFunder) signed to one year deal valued at $35,000.	BC Lottery Corp. signed to one year deal valued at $35,000. CN provided $60,000 through a 1 year agreement.	Reduced funding due to increased demands on BCLC's corporate support provincially.	Re-signed for 1 year at 08 / 09 figures.
Host Community budgets are supported by local government and business through cash and in-kind contributions.	Received $107,650 cash and $255,411 of in-kind value.	Received $68,155 cash and $247,497 of in-kind value.	Received $95,083 cash and $484,200 of in-kind value.	Received $35,391 cash and $287,236 of in-kind value.	Recruitment of cash and in-kind was under by $17,373. A strong result given the economic challenges of the region.	Anticipated recruitment of $40,000 cash and $225,000 value-in-kind.

[6] sources for financial figures from respective corporate contracts and community audited statements

[7] Global's valuation of airtime on CHAN & CHEK (48% primetime)

[8] Global's valuation of airtime on CHAN (48% primetime). Lower number in this fiscal due to airtime provided to Olympic coverage and loss of affiliation with CHEK TV in Victoria

5. *Financial Report*

Management Discussion and Analysis

Assessment of Results of Operations and Changes in Financial Conditions

Summary Financial Outlook 2008/09 to 2013/14 in 1000's	**2008/09** Actual	**2009/10** Budget	**2009/10** Actual	Budget Variance	Year[1] Variance	**2010/11** Forecast	**2011/12** Forecast	**2012/13** Forecast	**2013/14** Forecast
Revenues									
Ministry Grant	2,002	2,002	1,978	(24)	(24)	2,002	2,002	2,002	2,002
Other Revenues	477	423	307	(116)[2]	(170)	468	283	468	283
Total Revenues	**2,479**	**2,425**	**2,285**	**(140)**	**(194)**	**2,470**	**2,285**	**2,470**	**2,285**
Expenditures									
Grants	772	334	215	(119)[3]	(557)	778	287	760	325
Games Operations	536	916	1,327	411[4]	791	516	816	516	766
Overhead	1,158	1,175	1,169	(6)	11	1,176	1,182	1,194	1,194
Total Expenses	**2,466**	**2,425**	**2,711**	**286**	**245**	**2,470**	**2,285**	**2,470**	**2,285**
Operating Income (Loss)	**13**		**(426)**	**(426)**	**(439)**	**-**	**-**	**-**	**-**
Net Assets, beginning of the year	893		906			480	480	480	480
Total Net Assets (Unrestricted) & Invested in Property & Equipment), end of Year	**906**		**480**			**480**	**480**	**480**	**480**
FTEs	**9**	**9**	**9**			**9**	**9**	**9**	**9**
Capital Expenditures	**20**	**19**	**78**			**19**	**19**	**19**	**19**

[1] reference footnotes 2 - 4

[2] in part due to $42,000 in reduced investments and $65,000 reduction in sponsorship revenue.

[3] balance of grant to be paid to 2010 BC Summer Games in fiscal 2010 / 2011

[4] participant flight costs Terrace in excess of expectations when preliminary budget was prepared a year ago

A projected balanced budget for 2009 / 2010 resulted in a deficit of $426,727, directly related to the travel of participants to the Terrace Games. The initial budget for this travel to the Terrace 2010 BC Winter Games was placed at $900,000. All other line items related to BC Games Society operations and support were within the expected forecasts.

The BC Games Society Board recognizes and appreciates that budgetary control is critical to our long-term financial health. Each year, management prepares a two-year budget for approval by the Finance Committee and the Board of Directors. These budgets consider our strategic objectives of our annual Service Plan, and the geographic locations of the communities in which Games are being hosted. Total expenditures for the fiscal year ending March 31, 2010 were $2,711,703.

As an organization, the BC Games Society plans in two-year cycles, taking into account our two major events and largest expenses, the BC Winter Games and the BC Summer Games. Fiscal year 2009/2010 featured the Terrace 2010 BC Winter Games; they received a grant of $525,000 with an additional $1,309,870 spent on external travel for athletes attending those Games.

Budget surpluses at the BC Summer and Winter Games host community level are shared equally between the host and this society. Audited figures for the 2010 BC Winter Games will not be known until August 2010; anticipated return from those Games is $50,000.

BC Games Society also provides grants to the Northern BC Winter Games and the BC Disability Games amounting to $90,000. Surpluses in those communities are not split with the BC Games Society but go directly back to the Parent Society of the respective Games.

Major Risks and Opportunities

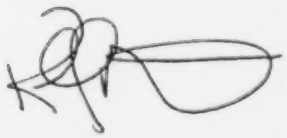
Sport tourism is now the mainstay of many communities' economic development strategy. Each sport event brought to a city or region requires the investment by local business and industry, as well as significant volunteer support. The society continues to monitor the pressures of staging this number of events within the province as sponsorship and volunteer fatigue, saturation of available hosting communities, and overall fiscal sustainability continue to offer challenges.

We also acknowledge the challenges in bringing new corporate partners to support our work. The continuing agreement with Jazz Air is significant given the fragility of the airline industry, having the BC Lottery Corp. remain as a partner is testament to the value they place in the BC Games as an instrument to speak to volunteers, and our continuing relationship with Global BC open doors to prospective new partners. While CN's corporate involvement was limited to this fiscal year, their investment in the Games and the Terrace community was seen as first steps toward possible renewal as the tide of the economy turns.

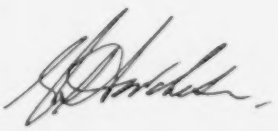
Management's Responsibility for Financial Reporting

The financial statements of the BC Games Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the Society as at March 31, 2010 and the results of its operations.

Management is responsible for the integrity of the financial statements and has established policies as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial statements prepared in a timely manner. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits.



Kelly Mann
President and CEO



Gordon Hutcheson, FCA
Accountant

6. *Corporate Governance*

The BC Games Society, as a Service Crown Agency, is responsible to the Minister of Healthy Living and Sport.

A fifteen member community based Board of Directors, appointed by Ministerial Letter, sets the strategic direction of the BC Games Society within direction from the provincial sport system with approval by the Minister. President and CEO, Kelly Mann, is given direction by the Board and is accountable for managing the operations of the Society. The Director's activities and responsibilities are governed by *Best Practice Guidelines for Governance and Disclosure for Governing Boards*.

The Society receives its core funding through a Transfer under Agreement with the Sport and Recreation Branch of the Ministry of Healthy Living and Sport.

The Board of Directors' guiding principles are:

Accountability and Performance
Openness, Trust and Transparency
Stewardship, Leadership and Effectiveness
Clarity of Roles and Responsibilities
Service and Corporate Citizenship
Value, Innovation and Improvement

Board Members and Committees

Committees of the Board
Finance – responsible for the review of all financial reports, audited statements, and supporting financial materials in order to make recommendations to the Board
Sport – reviews and recommends to the Board, sports and communities for inclusion in the BC Winter and Summer Games
Marketing and Communications – assist in the development of the strategic direction for marketing the BC Games as well as recommending options for Corporate Partner benefits and acquisition

Cathy Priestner Allinger[13], Co-Chair, West Vancouver
Frank Lento, Co-Chair and Sport Committee, Fernie
Sharon White[14], Provincial Government, Marketing and Communications Committee, Finance Committee, Audit Committee, Victoria
Dena Coward[13], Vancouver
Scott Braley, Sport Committee, North Vancouver
Bob Irwin[15], Northern BC Winter Games Society[16], Sport Committee, Kitimat
Anoop Sharma[14], BC Disability Games Society, Vancouver
Sue Bock[13], Trail
Kelly Stefanyshyn, Sport Committee, Vancouver
Gary Young[15], Chair, Marketing and Communications Committee, North Vancouver
Bruce Johnson, Finance Committee, Penticton
Jamie Choi[13], Vancouver

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[13] appointed January 2010
[14] reappointed January 2010
[15] term expired January 2010
[16] reappointment of a Northern BC Winter Games Society rep came after the fiscal year end

Renee McCloskey, Prince George
Kimberly White Gilhooly, Chair, Sport Committee, Marketing and Communications Committee, Vernon
Ken Wood, Sport Committee, Coquitlam
Rod Cox[15], Terrace, Chair, Finance Committee, Marketing and Communications Committee
Dorothy Paul[14], Sport Committee, Brentwood Bay

Complete biographies on our Board members and Board policies are available on our website. The BC Games Society complies with the provincial government's Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations. See http://www.bcgames.org/facts_and_figures_board_governance.html

7. *Financial Statements*

Financial Statements of

BC GAMES SOCIETY

Year Ended March 31, 2010

MANTELL | DICKSON | BLADES | WISEMAN
Chartered Accountants

102-4430 Chatterton Way Victoria, BC V8X 5J2
Tel: 250.744.3543 | Fax: 250.744.3546
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AUDITORS' REPORT

To: The Board of Directors of the BC Games Society

We have audited the statement of financial position of the BC Games Society (the "Society") as at March 31, 2010 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2010 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Mantell Dickson Blades Wiseman

Victoria, B.C.
April 21, 2010

Chartered Accountants

BC GAMES SOCIETY

STATEMENT OF FINANCIAL POSITION

MARCH 31,	2010 $	2009 $
ASSETS		
CURRENT		
Cash and cash equivalents	119,737	817,463
Receivables	429,783	19,151
Inventory	3,229	3,340
Prepaids	1,700	1,700
	554,449	841,654
PROPERTY AND EQUIPMENT *(Note 3)*	169,872	127,731
	724,321	969,385
LIABILITIES		
CURRENT		
Payables and accruals	236,005	52,848
Deferred funding *(Note 8)*	8,060	9,554
	244,065	62,402
NET ASSETS		
NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT	169,872	127,731
UNRESTRICTED NET ASSETS	310,384	779,252
	480,256	906,983
	724,321	969,385

COMMITMENTS *(Note 5)*

APPROVED BY THE BOARD

_____ Director

_____ Director

See accompanying notes

BC GAMES SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31,

CURRENT YEAR (2010)

	Invested in Property and Equipment $	Unrestricted $	2010 Total $
NET ASSETS, beginning of year	127,731	779,252	906,983
DEFICIENCY OF REVENUE OVER EXPENSES	-	(426,727)	(426,727)
AMORTIZATION	(36,107)	36,107	-
INVESTMENT IN PROPERTY AND EQUIPMENT	78,248	(78,248)	-
NET ASSETS, end of year	169,872	310,384	480,256

PRIOR YEAR (2009)

	Invested in Property and Equipment $	Unrestricted $	2009 Total $
NET ASSETS, beginning of year	139,196	754,422	893,618
EXCESS OF REVENUE OVER EXPENSES	-	13,365	13,365
AMORTIZATION	(31,303)	31,303	-
INVESTMENT IN PROPERTY AND EQUIPMENT	19,838	(19,838)	-
NET ASSETS, end of year	127,731	779,252	906,983

See accompanying notes

BC GAMES SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31,	2010 $	2009 $
REVENUE		
Province of British Columbia- Operating Grant	1,978,000	2,002,000
BC Senior Games Service Agreement	53,037	52,381
Funding partners *(Note 7)*	95,000	79,139
Souvenirs	2,000	2,462
Contractual revenues	750	1,195
Athlete registration	153,003	302,186
Interest earned	3,186	39,992
	2,284,976	2,479,355
EXPENSES		
Salaries and employee benefits	697,502	685,361
Travel and accommodation	139,713	112,863
Professional services	38,071	50,092
Computer maintenance	7,520	11,790
Office and business expenses	71,258	96,066
Advertising and publications	53,410	44,018
Insurance, leases and utilities	125,896	126,232
Games operating costs	1,326,947	536,336
Amortization	36,107	31,303
Operating grants, less returns	215,279	771,929
	2,711,703	2,465,990
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(426,727)	13,365

See accompanying notes

BC GAMES SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31,	2010 $	2009 $
CASH FLOW DERIVED FROM (APPLIED TO)		
Operating		
(Deficiency) excess of revenue over expenses	(426,727)	13,365
Amortization	36,107	31,303
	(390,620)	44,668
Changes in non-cash operating working capital		
Receivables	(410,632)	148,211
Inventory	111	(1,055)
Prepaids	-	(58)
Payables and accruals	183,157	(430,496)
Deferred funding	(1,494)	(4,528)
	(619,478)	(243,258)
Investing		
Purchase of property and equipment *(Note 3)*	(78,248)	(19,838)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(697,726)	(263,096)
CASH AND CASH EQUIVALENTS, beginning of year	817,463	1,080,559
CASH AND CASH EQUIVALENTS, end of year	119,737	817,463
CASH AND CASH EQUIVALENTS is comprised of:		
Royal Bank operating account	44,630	23,542
BCIMC Investment Trust account	75,107	793,921
	119,737	817,463

See accompanying notes

1. STATEMENT OF PURPOSE

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development.

Approximately 86% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated by corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the BC Winter Games, the B.C. Disability Games, the BC Summer Games and the B.C. Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The term "Society" is used to mean the BC Games Society.

(a) Property and Equipment

Amortization is calculated on a straight-line basis over the asset's estimated useful economic life, as follows:

Computers and application software	3-5 years
Registration software and computer cabling	5 years
Bedding, torch, flags and signs for Host Societies	12 years
Furniture and equipment	10 years
Trademarks	20 years
Leaseholds	over the term of the lease

In the year of purchase assets are amortized proportionately over the period of use.

(b) Revenue Recognition

The Society follows the deferral method of accounting for Grants and Contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Donated or discounted goods and services are recorded at the amount of cash consideration.

Receipt of surplus from Summer and Winter Games Societies is recorded at the earlier of cash receipt and final determination of the amount of the surplus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results may vary from the current estimates.

(d) Provincial Contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

(e) Legacy Funds - Host Communities

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(f) Grants to Host Societies

Grants to host societies are recorded as an expense when disbursement of funds has been authorized.

(g) Financial Instruments

For the current year, the Society has elected to continue to apply CICA 3861 and companion sections relating to "Financial Instrument Presentation and Disclosure" rather than adopt CICA 3862 and CICA 3863. Those standards prescribe extended disclosures about the significance of financial instruments for an entity's financial position and results of operations, and qualitative and quantitative disclosures on the nature and extent of risks arising from financial instruments.

The Society invests in short term investments held by BC Investment Management Corporation (BCIMC) which provides fund management services for public bodies and publicly administrated trust funds.

The Society has designated cash and short-term investments as held for trading and carries them at fair value as the fair value is readily determinable. Changes in fair value are recognized in revenue and expenses in the period in which they arise. Accounts receivable and accounts payable and accrued liabilities are classified as loans and receivables or other liabilities and are recorded at amortized cost. Accounts receivable, accounts payable and accrued liabilities are recorded at their fair value which is approximated by their initial carrying value, due to their short term nature.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, know as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from its accounts payable obligations by maintaining significant cash resources and investing in liquid investments.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society, through BCIMC, enters into transactions to purchase debt securities for which the market price fluctuates. Other price risk is managed by holding the investments to maturity.

3. PROPERTY AND EQUIPMENT

	2010 $	2009 $
Registration software	313,932	298,066
Application software	14,999	10,335
Computers	17,881	16,959
Bedding, torch, flags and signs for Host Societies	169,522	112,726
Furniture and equipment	32,552	32,552
Cabling	8,436	8,436
Leaseholds	17,172	17,172
Trademarks	763	763
At cost	575,257	497,009
Less: Accumulated amortization	405,385	369,278
Net book value	169,872	127,731
Additions during the year		
Computers	921	6,584
Bedding and flags	-	1,648
Registration software enhancements	15,865	10,260
Application software	4,665	1,346
Torch	56,797	-
	78,248	19,838

4. SURPLUS FROM HOST SOCIETIES

Surplus from the host societies is comprised of:

	2010 $	2009 $
Kelowna 2008 Summer Games Society	66,721	-
Kimberley/Cranbrook 2008 Winter Games Society	-	98,071
	66,721	98,071

5. COMMITMENTS

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. The Society is also committed to provide funding to host societies for staging of events scheduled during the years.

Minimum annual commitments in each of the next five fiscal years are as follows:

General Commitments

	Total $
2011	234,799
2012	195,820
2013	197,920
2014	194,400
2015	191,000
	1,013,939

Host Society Commitments

	$	
2011	778,000	
2012	287,000	
2013	760,000	
2014	325,000	
2015	760,000	2,910,000
		3,923,939

6. CAPITAL MANAGEMENT

The Society receives its principal source of capital through funding received from the Province of British Columbia. The Society defines capital to be fund balances.

The Society's objective when managing capital is to fund its operations and capital asset additions. The Society manages capital in conjunction with the Province based on funding restrictions and economic conditions. Expenses are monitored to preserve capital within budgeted funding and grants. The Society is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter. The Society has complied with the external restrictions on the funding provided.

7. RELATED PARTY TRANSACTIONS

The Society is economically dependent on the receipt of funding from the Province of British Columbia. Early in each fiscal year the annual funding from the Province is paid to the Society to cover the operating cost for that year. The use of the funds is governed by the Agreement for Financial Assistance signed by both parties.

Details are as follows:

	2010 $	2009 $
Grant received- Operations	1,978,000	2,002,000
Interest earned	3,186	39,992
Balance held by BCIMC at year end	75,107	793,921

8. FUNDING PARTNERS

During the year, the Society received $60,000 from CN as a sponsor of the BC Summer and Winter Games and $35,000 from the BC Lottery Corporation.

9. DEFERRED FUNDING

	2010 $	2009 $
a) Funds for B.C. Olympic and Paralympics Youth Leadership Program:		
Opening balance	9,554	8,910
Received from Legacies Now	2,000	-
Contributions from non-government sources	14,574	1,750
	26,128	10,660
Expenses		
Terrace 2010 Winter Games Society	12,000	-
Other	6,068	1,106
Balance, end of year	8,060	9,554
b)Funding from Telus for bursaries and to Kid Sport Fund:		
Opening balance	-	5,172
Bursary paid	-	(5,172)
Balance, end of year	-	-
Total Deferred Funding	8,060	9,554

The Best Place on Earth

Honourable Ida Chong, Minister

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